

KEYSPAN ENERGY DELIVERY NEW ENGLAND  
D.T.E. 05-68

SECOND SET OF INFORMATION REQUESTS OF THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO  
KEYSPAN ENERGY DELIVERY NEW ENGLAND

DTE 2-13

Date: February 14, 2006

Respondent: Leo Silvestrini

- Q. Refer to the commodity-price forecast in Chart III-B-7 in the Company's filing.
- (a) Please discuss the components of the forecasted natural gas price and the No. 2 oil;
  - (b) Indicate the components of the commodity-price forecast relied upon in the Global Insight inputs; and
  - (c) Identify the source and provide back-up materials for all fuel-price projections in Chart III-B-7.
- A. (a) Please see also the response to Information Request DTE-2-3. The components of the forecasted natural gas price are the wellhead cost of gas, variable pipeline costs and fuel losses associated with transmission, as well as pipeline, storage and supply contract demand charges and the Company's base rates. Wellhead costs are forecasted using the Global Insight forecast of annual wellhead prices. Demand charges are forecasted using the Global Insight forecast of annual changes in the Gross Domestic Product Implicit Price Deflator. Base rates are forecasted using the Boston Gas performance-based rate formula that applies the Global Insight forecast of annual changes in the Gross Domestic Product Implicit Price Deflator, less the productivity factor.
- The components of the No. 2 oil price forecast are the refiners acquisition cost of crude ("RACC") oil, the No. 2 oil terminal price and the local oil distributor margin. The RACC price is forecasted using the Global Insight forecast of annual prices. The No. 2 oil terminal price is forecasted by applying the annual rate of change of the RACC price forecast. The oil distributor's margin is forecasted by applying the Global Insight forecast of annual changes in the Gross Domestic Product Implicit Price Deflator.
- (b) Please see the response to (a), above.

- (c) Please see Attachment DTE-2-13. Please note that the information contained in attachment 2-13 contains proprietary information obtained by the Company pursuant to a contract with Global Insights. Accordingly, the Company respectfully requests that the confidential information be protected from disclosure in accordance with the motion for confidential treatment being filed with this submission. A redacted copy of Attachment DTE 2-13 has been provided for the public record.